



The **S&P 500 (SPX)** continued to trend higher this week testing new highs as it finished with the twelfth higher close in the last fourteen weeks. We also had five more closes above the rising 8-EMA (~3,250) with short-term momentum remaining strong with the bulls. Friday's candle was the first somewhat cautious signal of 2020 forming a bearish engulfing after opening higher on the jobs number. There's also some negative divergences into the recent move from both MACD and RSI which peaked on 12/27 and have been fading since. Looking at the big picture, the 3,285/3,330 area is a logical place for a bit of a pullback at the high-end of a big pitchfork. But, the trend has been strong and more looking for confirmation of a shift with a close under the 8-EMA or more importantly under 3,215 which was Monday's low after the latest Iran headlines. Targets lower would be the low-end of December value around 3,150.



### Market Sentiment/Breadth

The latest AAI sentiment survey for the week ending 1/8 showed a 4.1% dip in bullish responses, a 3.9% dip in neutral responses, and an 8% jump in bearish responses. Neutral remains well above the long-term average. NAAIM Exposure Index rose slightly to 94.16 and back up near an extreme high. Lipper Fund flows showed \$9.2B in outflows from equities, the second largest exodus since September. As of Friday's close there were 708 new highs vs just 79 new lows, very strong breadth. The percentage of stocks above their 50-day MA was 71.3% while those above their 200-day was 69.4%, both down from their December highs. The 50-day MA of CBOE Equity P/C continues to fall to 0.56 and right at the low point from February 2018 which preceded a move lower in SPX. NYSE Summation was flat at around 923.40 and remains above its 8-EMA but curling back a little and potential for a crossover soon. NYMO was at -5.38 (neutral/slight negative) and continues to fade from the December extreme. Cumulative AD remains near new highs and confirming the move lately. CNN Fear & Greed is at 91 and remains "Extreme Greed."

## Market Event Outlook

**Monday:** Federal Budget at 2:00 PM; **International Data:** UK GDP, UK Manufacturing, China Import/Exports; **Earnings Before the Open:** SJR; **Analyst Days:** ZEAL; **Conferences:** ICR Xchange Conference (ANF, LE, FIVE, GES, GCO, CHS, DENN, RUTH, KRUS, LOCO, SY, PRGO, SPWH, GSHD, LNDC, FRPT, PETQ, BOOT, PLNT, LOVE, HOME, DRI, LK, PBH, SPTN, SSI, CDLX, MED, NUS, PFGC, NBEV, STKL, TCS, PRTY, GME, CROX, LZB, SHAK, RRGB, TAST, TACO, CHUY, BBW, HZO, MHK, TLYS, CRON, TLRY, HELE, MLHR, NDLS, PLAY, CBRL, DPZ, CTRN, UNFI, APHA), JP Morgan Healthcare (A, ABBV, ABC, ABC, ABMD, ABT, ACAD, ACOR, ADPT, ADVM, AGIO, AGLE, AHCO, AIMT, AKBA, AKRO, ALC, ALEC, ALKS, ALLO, ALM, ALNY, ALXN, AMAG, AMED, AMGN, AMN, AMRN, AMRX, ANAB, ANGO, APLS, APRE, APTX, ARAY, ARGX, ARNA, ASND, ATRA, ATRC, AUTL, AVNS, AVTR, AXDX, AXGN, AXLA, BABY, BAX, BAYN, BBIO, BCART, BCRX, BDX, BHC, BIIB, BIO, BIOS, BLUE, BMRN, BMY, BNTX, BRKR, BSX, CAH, CARA, CBAY, CCCI, CERN, CFMS, CHNG, CHRS, CI, CLSD, CLVS, CMD, CNC, CNMD, CNST, COO, CRL, CRNX, CSL, CCTL, CVET, CVS, CYCN, CYH, DCPH, DGX, DHR, DNLI, DTIL, DXCM, EBS, EDIT, EGRX, EHC, EKTAB, ELAN, ELGX, ENDP, ENTA, ESPR, EVH, EVT, EW, EXAS, EXEL, FME, FOLD, FPRX, FRE, FREQ, GBT, GE, GH, GILD, GKOS, GLPG, GMAB, GN, GNHAY, GNMK, GRTS, GSK, GTHX, GWPH, HALO, HCAT, HIK, HMSY, HOLX, HQY, HRC, HSIC, HSKA, HUM, HZD, HZNP, IART, ICLR, ICUI, IDRA, IDYA, IFRX, ILMN, IMGX, INCY, INFI, INGN, INOV, INSM, IONS, IPN, IRTC, IRWD, ISEE, ISRG, ITCI, JAZZ, JNCE, KALA, KLDO, KNSA, KOD, KPTI, LH, LHCX, LLY, LMNX, LONN, LUN, LVGO, LXX, MCK, MDRX, MDT, MGTA, MITRA, MNK, MNTA, MOH, MOLN, MOR, MORE, MOVE, MRK, MRK, MRK, MRNA, MRSN, MRTX, MSON, MTD, MYGN, MYL, MYOK, MYOV, NBIX, NKTR, NOVN, NSTG, NTRA, NUVA, NVAX, NVCR, NVRO, NVST, NVTA, NXGN, NXTX, OBSV, OMI, OPK, ORTX, OSUR, OXFD, OYST, PBYI, PCRX, PDCO, PEN, PFE, PGN, PHIA, PHR, PINC, PKI, PODD, PRGO, PTCT, QDEL, QIA, QTRX, RAD, RARE, RCKT, RCM, RDUS, REGN, REPL, RGEN, RIGL, RMD, ROG, RUBY, SAGE, SAN, SDC, SGEN, SGMO, SGRY, SHL, SILK, SLDB, SN/, SRPT, STDAY, STE, STML, STOK, SUPN, SWTX, SYNH, TBPH, TCDA, TDOC, TECH, TEVA, TFX, TGTX, THC, TMDX, TMO, TPTX, TRXC, TVTY, TWST, TXG, TXMD, UCB, UHS, URGX, UROV, UTHR, VAR, VEC, VEEV, VIR, VRTX, WAT, WBA, WELL, WST, XENT, XLRN, XON, XRAY, YMAB, ZIOP, ZLAB, ZTS, ZYME)

**Tuesday:** CPI at 8:30 AM, API Crude at 4:30 PM; **International Data:** China New Loans; **Earnings Before the Open:** APHA, C, DAL, FRC, INFO, JPM, WFC, WIT; **Earnings After the Close:** OGI, WAFD; **Conferences:** ICR, JP Morgan Healthcare, Needham Growth (GDI, IDCC, ITI, JCOM, KRNT, LMAT, PDCO, RPAY, RUBI, SBGI, SPNS, SYNH, VG, VIA)

**Wednesday:** US/China "Phase One" Signing, PPI at 8:30 AM, Empire State Mfg. at 8:30, Crude Inventories at 10:30, Beige Book at 2:00 PM; **International Data:** UK CPI, EU Industrial Production, EU Trade Balance; **Earnings Before the Open:** BAC, BLK, GS, PNC, USB, UNH; **Earnings After the Close:** AA, HWC; **Analyst Days:** WPP, INSW; **Conferences:** ICR, JP Morgan Healthcare, Needham Growth; **Other:** TGT Holiday Sales

**Thursday:** Retail Sale at 8:30 AM, Import/Export at 8:30, Weekly Claims at 8:30, Philly Fed at 8:30; **International Data:** ECB Minutes, German CPI, China GDP, China Industrial Production, China Unemployment; **Earnings Before the Open:** BK, HOMB, IIN, MS, PPG, TSM, WNS; **Earnings After the Close:** OZK, BEDU, CSX, PBCT; **Analyst Days:** LX; **Conferences:** JP Morgan Healthcare

**Friday:** Housing Starts at 8:30 AM, Industrial Production at 9:15, JOLTs at 10:00, Michigan Consumer Expectations/Sentiment at 10:00; **International Data:** EU CPI, Italian CPI, UK Retail Sales; **Earnings Before the Open:** CFG, FAST, FHN, JBHT, KSU, RF, SLB, STT

## Weekly Open Interest Radar

**Honeywell (HON)** shares are consolidating above their 8- and 20-MA and just below 52-week highs at \$183 made back in November. The longer-term view shows a wide cup and handle that stretches back to mid-2019. A move higher targets \$192.50. HON has seen some buyers in the Feb. 14<sup>th</sup> (W) \$177.50 and \$180 calls recently while the Jan. \$177.50 calls expiring on Friday have also seen some buyers.

Trade to Consider: Long the **HON** February \$180 Calls for \$3.30 or Better



## Weekly Options Technical Trade Set-Up

<b>Ticker</b>	SUM
<b>Trigger Level</b>	\$24.60
<b>Call/Put</b>	Calls
<b>Strike</b>	\$25
<b>Target</b>	\$26
<b>Stop</b>	\$24



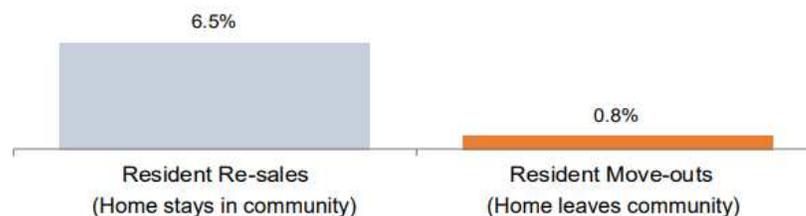
## Insider Trade of the Week

**Sun Communities (SUI)** with a small insider buy in December from director Brian Hermelin of \$149,965 in stock at \$148.48. SUI hasn't seen any other notable insider buys recently. Hermelin has been a director at the company since 2014 and managing partner of Rockbridge Growth Equity. SUI shares have been on a strong 10-year run and pulling back to the 23.6% retracement of the big run from the 2018 lows. Shares have been basing in a multi-range with a move over \$151 targeting a run back to \$158-\$159 which was a VPOC from November. The \$13.67B company is a REIT that focuses on manufactured home and RV communities, RV resorts, and active 55+ communities. They've been an industry consolidator in recent years picking up communities and land deals to add to their growing scale. SUI is represented across 32 states with the majority of their sites in Michigan (they're HQ is in Michigan), Texas, California, and Florida which is the largest. They're 63% manufactured housing and 29% RV communities with about half age-restricted. In 2019, the company had near 96% occupancy with most of their communities higher at around 98%. SUI has been seeing strong pricing power with rent increases around 2% to 4% annually. Their pipeline for expansion is deep as well with over 7300 sites under ownership available for expansion or conversion from transient RV sites. Between M&A, new development projects, and near 10% IRR on site deliveries they see a long runway for growth. And, the secular drivers focusing on value/square foot and lower rental price versus traditional options will continue to draw demand. SUI sees little analyst coverage with just two ratings currently, 1 hold and 1 buy. BMO with a \$132 PT in June noting the company's recent Australian JV represents a compelling value proposition for Sun Communities, with development returns in Australia's motorhomes being "significantly higher" given the high median home prices.

### SUN'S FAVORABLE REVENUE DRIVERS

- Yearly home move-outs in Sun's MH communities are **less than 1%**
- Tenure of residents in Sun's MH communities is approximately **14<sup>1</sup> years**

#### MH Resident Move-out Trends<sup>1</sup>



## Earnings Preview

**CSX Corp (CSX)** will report earnings on Thursday after the close with the Street looking for \$0.98 on \$2.942B in revenue. The FY guide is for \$4.16 on \$11.99B in revenue, a 2.1% decrease. Shares have closed higher in two of the last three but an overall mixed history with an average closing move of 4.16%. 30-day IV is elevated in the 77th percentile and skew is slightly bearish. The \$57.63B company trades 16.76X earnings, 4.73X sales, and 22.5X cash with a 1.31% yield and industry-best FCF. It screens cheap relative to peers like KSU, NSC, and UNP with an all-time low operating ratio for a US class I rail last quarter of 56.8%. They've also seen better merchandise volumes despite an overall sluggish macro environment. The company will be our first look at rail reports this quarter. In December, they were more cautious on the near-term outlook seeing guidance at the low-end of their forecast with coal continuing to be weak on all fronts. Comps are also tough on a Y/Y basis in the 1H of 2020. They remain focused on improving efficiency with Precision Rail and likely lower the number of switches to reduce dwell time for cars. Analysts have an average target for shares of \$78 with 6 buy ratings, 15 hold, and 1 sell. Susquehanna upgrading to Positive on 1/7 with a \$87 PT. The firm thinks 2019's

cost cutting "passes the baton" to a broader-based volume recovery by Q4 of 2020. Wells Fargo started at Neutral in October noting that traffic likely remains challenged but execution overall remains strong and would expect for most rails that improvement could be more moderate at current levels. Citi downgrading to Neutral in December on risk to 2020 growth estimates. The firm thinks while export coal has grabbed the most attention recently, broader volume weakness and a diminishing well of cost takeout opportunities suggests CSX's revenue and EBIT falls next year. Short interest is 1.2% and trending lower since early 2019 when it was around 2.3%. Hedge fund ownership fell 11% in Q3. Mantle Ridge was a top holder of shares but has sold down the position in late 2019 and now owns just 3.4M. The activist fund was instrumental in getting Hunter Harrison put in at the company who drove the switch to PSR.

Date	Description	Volume	Open.Int	Price	Delta	Impl Vol	Prob.ITM	Premium Paid
1/3/2020	CSX 100 15 JAN 21 60 CALL	770	89	\$15.50	0.78	29.91%	68.89%	\$1,193,500
12/27/2019	CSX 100 (Weeklys) 3 JAN 20 73.5 CALL	3,167	91	\$0.40	0.35	14.77%	34.50%	\$123,513
12/20/2019	CSX 100 21 FEB 20 70 PUT	2,014	1,084	\$1.73	-0.33	22.86%	36.91%	\$328,282
12/17/2019	CSX 100 17 JAN 20 72.5 PUT	1,569	2,648	\$1.99	-0.49	22.85%	51.62%	\$310,662
12/11/2019	CSX 100 21 JAN 22 72.5 CALL	700	18	\$10.70	0	#ERROR!	0.00%	\$749,000
12/10/2019	CSX 100 21 FEB 20 67.5 CALL	400	237	\$4.55	0.62	27.12%	57.52%	\$182,000
11/20/2019	CSX 100 15 MAY 20 65 PUT	1,035	1,010	\$3.01	-0.32	26.83%	39.07%	\$315,675
11/7/2019	CSX 100 17 JAN 20 65 PUT	14,814	5,974	\$0.60	-0.128	27.59%	15.63%	\$888,840
11/7/2019	CSX 100 17 JAN 20 82.5 CALL	14,525	1,632	\$0.42	0.125	20.20%	10.74%	\$610,050
10/22/2019	CSX 100 15 JAN 21 80 CALL	1,001	442	\$5.28	0.41	26.11%	30.56%	\$535,535
10/21/2019	CSX 100 15 JAN 21 100 CALL	3,000	51	\$1.01	0.123	23.91%	7.87%	\$303,000
10/16/2019	CSX 100 17 JAN 20 70 CALL	1,072	1,153	\$3.20	0.48	26.35%	42.98%	\$348,400



## January 2020 Options Expiration Notable Open Interest

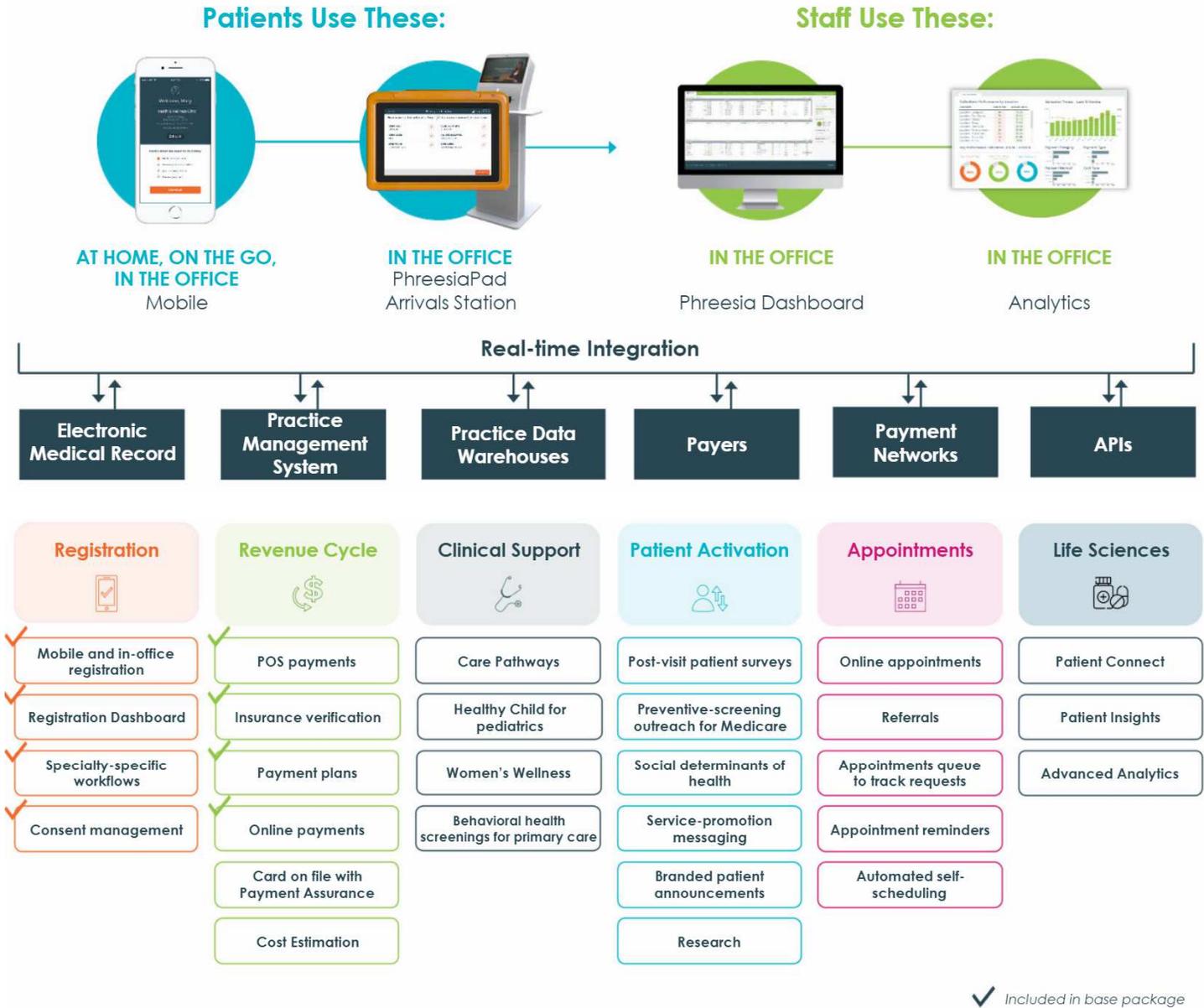
Date	Description	Volume	Price	\$ Outlay	Date	Description	Volume	Price	\$ Outlay
8/21/2019	TTD 100 17 JAN 20 250 CALL	5,014	\$43.40	\$23,164,680	10/29/2019	UBER 100 17 JAN 20 25 CALL	4,104	\$7.65	\$3,365,280
8/22/2019	TTD 100 17 JAN 20 250 CALL	5,036	\$44.27	\$22,294,372	7/11/2019	CI 100 17 JAN 20 200 CALL	4,074	\$8.15	\$3,320,310
12/18/2019	AMZN 100 17 JAN 20 1780 CALL	5,333	\$41.44	\$21,945,295	8/27/2019	PAAS 100 17 JAN 20 18 CALL	10,713	\$2.84	\$3,042,492
6/14/2019	NOW 100 17 JAN 20 220 CALL	2,501	\$66.82	\$16,711,682	2/1/2019	COUP 100 17 JAN 20 115 CALL	3,012	\$9.80	\$2,951,760
7/19/2019	INTC 100 17 JAN 20 50 CALL	30,321	\$3.90	\$11,673,585	10/28/2019	GILD 100 17 JAN 20 65 CALL	16,161	\$1.75	\$2,892,819
12/13/2018	WFC 100 17 JAN 20 50 CALL	26,228	\$4.40	\$11,540,320	2/20/2019	UNP 100 17 JAN 20 170 CALL	1,729	\$15.55	\$2,749,110
1/24/2019	LVS 100 17 JAN 20 55 CALL	14,601	\$7.75	\$11,242,770	9/19/2019	DOCU 100 17 JAN 20 65 CALL	5,106	\$5.10	\$2,655,120
12/3/2019	AXSM 100 17 JAN 20 50 CALL	10,082	\$10.00	\$11,090,200	10/8/2019	UTX 100 17 JAN 20 125 CALL	2,493	\$10.10	\$2,642,580
11/21/2019	AXSM 100 17 JAN 20 40 CALL	14,332	\$7.00	\$11,035,640	7/26/2019	SAVE 100 17 JAN 20 45 PUT	5,321	\$4.50	\$2,607,290
12/26/2018	BAC 100 17 JAN 20 30 CALL	120,893	\$0.89	\$10,759,477	7/29/2019	SAVE 100 17 JAN 20 45 PUT	5,006	\$5.00	\$2,603,120
2/12/2019	MDCO 100 17 JAN 20 25 CALL	10,000	\$9.44	\$9,900,000	2/19/2019	YUM 100 17 JAN 20 97.5 CALL	4,714	\$5.50	\$2,592,700
8/29/2019	WYNN 100 17 JAN 20 110 CALL	8,658	\$9.70	\$8,398,260	10/31/2018	EA 100 17 JAN 20 100 CALL	2,006	\$12.25	\$2,457,350
7/18/2019	QSR 100 17 JAN 20 55 CALL	3,816	\$18.00	\$7,250,400	11/11/2019	DOCU 100 17 JAN 20 70 CALL	6,543	\$3.60	\$2,355,480
4/20/2018	KKR 100 17 JAN 20 25 CALL	25,081	\$2.25	\$6,144,845	11/22/2019	SRPT 100 17 JAN 20 120 CALL	4,102	\$5.64	\$2,313,528
11/22/2019	BHVN 100 17 JAN 20 55 CALL	6,127	\$9.00	\$5,514,300	10/24/2018	NXPI 100 17 JAN 20 90 CALL	4,017	\$5.70	\$2,289,690
6/4/2019	MRTX 100 17 JAN 20 100 CALL	2,000	\$25.40	\$5,400,000	6/21/2019	Z 100 17 JAN 20 45 CALL	3,002	\$7.50	\$2,281,520
9/17/2018	SNAP 100 17 JAN 20 10 CALL	25,171	\$2.10	\$5,361,423	10/28/2019	VLO 100 17 JAN 20 90 CALL	1,946	\$11.50	\$2,257,360
12/17/2019	GOOG 100 17 JAN 20 1350 CALL	1,858	\$27.14	\$5,072,340	9/30/2019	TPX 100 17 JAN 20 67.5 CALL	2,032	\$10.60	\$2,235,200
10/30/2019	IAC 100 17 JAN 20 195 CALL	1,381	\$36.51	\$5,040,650	10/25/2019	GS 100 17 JAN 20 215 CALL	2,639	\$8.45	\$2,229,955
3/5/2019	YNDX 100 17 JAN 20 45 CALL	20,000	\$2.33	\$4,800,000	2/6/2019	HES 100 17 JAN 20 60 CALL	3,500	\$5.90	\$2,117,500
10/16/2019	MPC 100 17 JAN 20 57.5 CALL	5,002	\$8.05	\$4,151,660	11/14/2018	MLCO 100 17 JAN 20 18 CALL	8,000	\$2.50	\$2,000,000
5/29/2019	QURE 100 17 JAN 20 60 CALL	3,255	\$12.40	\$4,101,300	11/19/2019	ET 100 17 JAN 20 10 CALL	13,838	\$1.41	\$1,978,834
5/21/2018	EMR 100 17 JAN 20 80 CALL	7,686	\$5.30	\$4,073,580	10/31/2019	MET 100 17 JAN 20 45 CALL	7,012	\$2.48	\$1,949,336
11/22/2019	SRPT 100 17 JAN 20 110 CALL	4,148	\$9.45	\$3,919,860	9/11/2019	ATVI 100 17 JAN 20 52.5 CALL	2,503	\$7.00	\$1,789,645
10/22/2019	AAL 100 17 JAN 20 25 CALL	10,062	\$3.70	\$3,823,560	4/11/2019	UPS 100 17 JAN 20 115 CALL	2,511	\$6.97	\$1,782,810
9/7/2018	RH 100 17 JAN 20 160 CALL	2,006	\$18.90	\$3,791,340	10/18/2019	KEYS 100 17 JAN 20 95 CALL	2,005	\$8.40	\$1,764,400
5/15/2019	CAT 100 17 JAN 20 150 CALL	10,035	\$3.64	\$3,763,125	4/4/2019	SWK 100 17 JAN 20 145 CALL	1,388	\$12.10	\$1,748,880
9/30/2019	JD 100 17 JAN 20 28 CALL	12,972	\$2.69	\$3,554,328	4/26/2019	SWK 100 17 JAN 20 155 CALL	2,000	\$8.50	\$1,700,000
6/27/2019	ASND 100 17 JAN 20 115 CALL	2,500	\$14.20	\$3,550,000	12/2/2019	MSI 100 17 JAN 20 160 CALL	2,017	\$8.15	\$1,684,195
11/2/2018	SYF 100 17 JAN 20 28 CALL	10,000	\$3.60	\$3,500,000	12/12/2019	BMRN 100 17 JAN 20 80 CALL	3,055	\$5.40	\$1,680,250
11/11/2019	DOCU 100 17 JAN 20 67.5 CALL	7,256	\$4.80	\$3,482,880	6/11/2019	ADP 100 17 JAN 20 165 CALL	1,500	\$10.90	\$1,650,000
9/28/2018	CREE 100 17 JAN 20 28 CALL	2,534	\$13.71	\$3,474,114	1/11/2019	LEN 100 17 JAN 20 47.5 CALL	2,403	\$6.80	\$1,634,040

Date	Description	Volume	Price	\$ Outlay	Date	Description	Volume	Price	\$ Outlay
10/29/2019	UNH 100 17 JAN 20 260 CALL	2,115	\$7.35	\$1,617,975	11/7/2019	FIS 100 17 JAN 20 135 CALL	2,864	\$3.85	\$1,102,640
7/29/2019	HLT 100 17 JAN 20 100 CALL	3,152	\$4.98	\$1,607,520	7/12/2019	CHTR 100 17 JAN 20 430 CALL	500	\$22.05	\$1,102,500
5/31/2019	LYB 100 17 JAN 20 90 CALL	10,002	\$1.55	\$1,600,320	11/18/2019	CF 100 17 JAN 20 42.5 CALL	2,732	\$3.97	\$1,092,800
12/30/2019	AMGN 100 17 JAN 20 242.5 CALL	4,208	\$3.80	\$1,598,660	1/9/2020	MRK 100 17 JAN 20 89 CALL	10,603	\$1.03	\$1,092,109
3/8/2019	MOMO 100 17 JAN 20 35 CALL	2,523	\$6.20	\$1,564,260	12/2/2019	MSI 100 17 JAN 20 165 CALL	2,066	\$5.11	\$1,084,650
5/1/2019	RCL 100 17 JAN 20 130 CALL	1,270	\$12.30	\$1,562,100	5/8/2019	IMMU 100 17 JAN 20 15 CALL	3,513	\$3.08	\$1,082,004
10/29/2019	AMRN 100 17 JAN 20 19 CALL	7,026	\$2.00	\$1,552,746	8/16/2019	PDD 100 17 JAN 20 28 CALL	5,076	\$2.10	\$1,065,960
6/13/2018	QRVO 100 17 JAN 20 110 CALL	2,463	\$6.24	\$1,536,912	7/9/2019	SUM 100 17 JAN 20 20 CALL	4,334	\$2.45	\$1,061,830
8/13/2019	WUBA 100 17 JAN 20 55 CALL	2,500	\$5.46	\$1,475,000	9/18/2019	TPH 100 17 JAN 20 15 CALL	7,864	\$1.34	\$1,061,640
9/11/2019	ZGNX 100 17 JAN 20 50 CALL	4,004	\$2.75	\$1,441,440	12/31/2019	TWLO 100 17 JAN 20 97.5 CALL	3,042	\$3.70	\$1,034,280
9/20/2018	INTU 100 17 JAN 20 260 CALL	1,000	\$13.90	\$1,440,000	11/7/2019	PHM 100 17 JAN 20 39 CALL	6,854	\$1.34	\$918,436
10/25/2019	BLUE 100 17 JAN 20 75 CALL	1,023	\$13.70	\$1,421,970	10/11/2019	WEN 100 17 JAN 20 20 CALL	4,527	\$1.90	\$905,400
3/8/2018	AOBC 100 17 JAN 20 5 CALL	2,159	\$6.45	\$1,403,350	4/5/2019	TAL 100 17 JAN 20 40 CALL	2,000	\$4.50	\$900,000
1/18/2018	WSM 100 17 JAN 20 50 CALL	1,150	\$12.21	\$1,403,000	11/14/2019	FTCH 100 17 JAN 20 8 CALL	10,336	\$0.87	\$899,232
10/21/2019	SE 100 17 JAN 20 28 CALL	6,201	\$2.25	\$1,395,225	10/14/2019	CCK 100 17 JAN 20 65 CALL	2,621	\$3.20	\$891,140
8/1/2019	ALGN 100 17 JAN 20 210 CALL	614	\$21.69	\$1,381,500	3/25/2019	GBT 100 17 JAN 20 60 CALL	1,256	\$6.34	\$879,200
9/10/2019	TGP 100 17 JAN 20 15 CALL	8,278	\$1.55	\$1,324,480	11/26/2019	MOS 100 17 JAN 20 19 CALL	9,633	\$0.90	\$866,970
6/20/2019	MAS 100 17 JAN 20 40 CALL	5,003	\$2.45	\$1,300,780	12/4/2019	SNY 100 17 JAN 20 48 CALL	7,896	\$1.05	\$868,560
11/6/2019	EXAS 100 17 JAN 20 80 CALL	1,443	\$8.40	\$1,284,270	10/2/2019	STNG 100 17 JAN 20 30 CALL	2,065	\$4.10	\$867,300
10/31/2019	CNC 100 17 JAN 20 55 CALL	5,236	\$2.35	\$1,282,820	11/20/2019	SYK 100 17 JAN 20 210 CALL	1,955	\$4.30	\$860,200
10/4/2019	APLS 100 17 JAN 20 30 CALL	3,054	\$4.20	\$1,282,680	10/21/2019	LCII 100 17 JAN 20 100 CALL	1,760	\$4.80	\$844,800
8/2/2019	GFI 100 17 JAN 20 5.5 CALL	15,408	\$0.83	\$1,278,864	10/28/2019	ENTG 100 17 JAN 20 45 CALL	1,492	\$5.45	\$835,520
11/7/2019	PTCT 100 17 JAN 20 42 CALL	4,000	\$3.13	\$1,252,000	7/18/2019	ENPH 100 17 JAN 20 22.5 CALL	2,601	\$3.20	\$832,320
4/24/2019	HLT 100 17 JAN 20 100 CALL	5,000	\$2.50	\$1,250,000	11/19/2019	PII 100 17 JAN 20 105 CALL	2,061	\$4.00	\$824,400
6/20/2019	XRAY 100 17 JAN 20 60 CALL	3,140	\$3.88	\$1,224,600	10/25/2019	ALB 100 17 JAN 20 65 CALL	2,196	\$3.70	\$812,520
11/6/2019	SIX 100 17 JAN 20 42.5 CALL	4,428	\$2.65	\$1,195,560	7/31/2019	ERI 100 17 JAN 20 55 CALL	5,000	\$1.55	\$800,000
3/13/2019	YNDX 100 17 JAN 20 40 CALL	3,003	\$3.90	\$1,171,170	7/19/2019	SNE 100 17 JAN 20 50 CALL	1,101	\$6.95	\$770,700
9/30/2019	MCHP 100 17 JAN 20 95 CALL	1,957	\$5.80	\$1,154,630					
11/26/2019	ADI 100 17 JAN 20 115 CALL	3,601	\$3.10	\$1,152,320					
5/29/2019	NWL 100 17 JAN 20 10 CALL	2,877	\$3.90	\$1,150,800					
8/29/2019	FND 100 17 JAN 20 52.5 CALL	2,800	\$4.05	\$1,134,000					
10/4/2019	BMRN 100 17 JAN 20 70 CALL	2,501	\$4.40	\$1,125,450					

FORMATTING CHARTS

## Top 40 Micro-Cap Profile of the Week

**Phreesia (PHR)** came public in July of 2019 offering 7.8M shares at \$15-\$17 as a developer of a technology platform enabling healthcare providers to optimize efficiency and profitability. It offers solutions for appointments, registration, clinical support and surveys. Its platform also provides life sciences companies with an engagement channel for targeted and direct communication with patients. Phreesia was founded to revolutionize patient intake and to create a better, more engaging healthcare experience. PHR has shown its platform provides a strong ROI to providers with increased collections, expanding staff and provider capacity, optimizing profitability, improving patient experience, and enhancing clinical care.



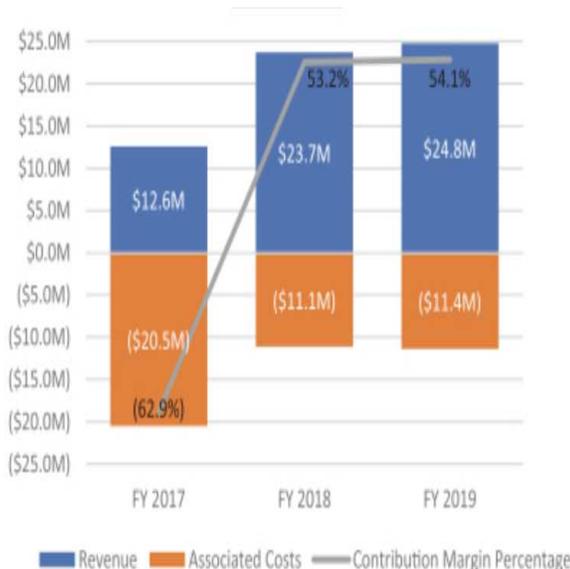
The National Academy of Medicine estimates \$300B in annual wasteful healthcare spending related to administrative tasks. The Phreesia Platform provides an automated and comprehensive solution to address key provider pain points. As the leading patient intake platform, Phreesia increases staff and doctor efficiency and allows providers to maximize clinical time with patients, reduce administrative complexities and optimize the delivery of care. PHR believes the current addressable market for its Platform and services is

approximately \$7 billion and is derived from: (1) the potential subscription-based revenue generated from the approximately 890,000 U.S.-based ambulatory care providers currently taking medical appointments, (2) consumer-related transaction and payment processing fees, which are based on a percentage of payments that can be processed via the Phreesia Platform, and (3) a portion of the \$6 billion spent by life sciences companies on direct-to-consumer prescription drug marketing. PHR sees this addressable market expanding with new products and services as well as entry into new markets, recently it entered the acute-care market.

ATTRACTIVE INDUSTRY TAILWINDS

Wasteful Spending	Increasing Patient Responsibility	Increasing Consumerism	Shift to Value-Based Care Models	Focus on Personalized Healthcare Solutions
				
<ul style="list-style-type: none"> <li>• 1.2M intake staff</li> <li>• \$3.6T U.S. healthcare spend<sup>1</sup></li> <li>• \$1.1T U.S. healthcare waste<sup>1</sup></li> <li>• ~\$300B admin-related waste<sup>1</sup></li> </ul>	<ul style="list-style-type: none"> <li>• \$586B out-of-pocket spend by 2027</li> <li>• HDHPs represent 46% of health plan market<sup>2</sup></li> <li>• Provider organizations collect only half of patient balances after initial visit</li> </ul>	<ul style="list-style-type: none"> <li>• Demand for higher quality care, cost transparency, shared decision making and convenience</li> <li>• 70%+ of patients use online reviews as first step in physician search</li> </ul>	<ul style="list-style-type: none"> <li>• Payment model shift to incentivize value and quality</li> <li>• Requires high levels of documentation, robust data, sophisticated payment-attribution capabilities and substantive patient engagement</li> </ul>	<ul style="list-style-type: none"> <li>• Need to directly reach patients when making care decisions</li> <li>• Current marketing strategies not as effective as targeted outreach</li> </ul>

The Phreesia Platform processed more than \$1.4B in patient payments in FY19 and facilitated more than 54 million patient visits for approximately 50,000 providers. Total revenue increased approximately 25% from \$79.8 million in fiscal 2018 to \$99.9 million in fiscal 2019. It has seen a 26% increase in average revenue per provider client from 2018 to 2019 and has a 107% annual dollar-based retention rate. Forecasts see PHR revenues growing to \$170M in FY22 from \$100M in FY19 with steady 20% annual growth and profitability likely on a Net Income basis in FY23 while already earnings positive EBITDA.



Phreesia is a fast growing provider in a large and underpenetrated market with strong tailwinds as the patient administrative process across Healthcare is digitized. It offers a value-added service to providers as seen with the ROI case studies of clients making it a sticky product and also allowing for further cross-sell and up-sell opportunities demonstrated by its strong key performance indicators. It operates with a highly scalable model with multiple avenues for long-term sustainable growth. PHR currently trades 7.4X EV/Sales which is fairly attractive for a Software company growing revenues 20%. It looks to be a worthy long term investment and could attract M&A from a larger player in HER like Cerner (CERN).

## Technical Scans

### BULL SCANS

**Notable 8/21 EMA Bull Crossovers:** AIG, DRE, HRL, FDX, COST, APPN, PBF, TNDM, OHI, BLL, ABMD, CCC, LIN, ZUO, DRI, LPSN, SHAK, WK, RGNX, FLGT, CASY, RY, ATKR, RLMD

**Notable 13/34 EMA Bull Crossovers:** BYND, SQ, TME, MRNA, MOMO, SKT, IBM, INVH, RUN, HTA, DNKN, LPSN, BLMN, SUPN, COOP, NEP, AXS, DENN, BJRI, NVEE, NHI, SUN, LGIH, CUB

**Notable 21/55 EMA Bull Crossovers:** INFY, LB, PSTG, PGR, CL, INVH, KNX, WDAY, OHI, MMP, LPSN, MYGN, IDXX, WERN, TENB, AWI, LSTR

**Emerging Strength (Daily RSI Cross of 50 w/ Accumulation/Distribution Ratio at 12 Week High):** OHI, DRE, MAA, WAT, HTA, CBRL, FCPT

**45 Day Highs with Strong Closes:** BIDU, V, CRM, CL, LLY, MDT, MCHP, MTCH, BBY, DHR, LNG, AMT, TEL, ULTA, YY, CHRW, CPRT, WM, K, NEE, KMB, ZTS, AKAM, TVTY, BAH, MMP, INTU, ANTM, PSA, CTLT, INXN, MMSI, DVA, FBHS, LH, VRSK, MELI, RJF, IAC, AZPN, NSP, NSTG, WCN, CLX, KRNT, EEFT, LAMR, IRTC, SBAC, MIME, HRC, POWI, BCO, PLT, SMG, CSII, EQIX, NHI, MASI, WCG, CSGP, BFAM, INSP, SLAB, COO, ITGR, HELE, DOOR, POOL, ATR, ATRC, VICR, VRNS; LMAT, ADIS, FCN

### BEAR SCANS

**Notable 8/21 Bear EMA Crossovers:** ARNC, BBBY, ADM, AVYA, NYT, CPRI, AEM, AYI, FIVE, ST, GMED, KN, KRG, RPM, MNRO, IPGP, MTB, CWH, RGLD, BKU, SHOO, RRR, ETH, DCI, HUBB, LE, ICHR, CPS, CAL, WOR, MEI, PRAA

**Notable 13/34 EMA Bear Crossovers:** WFC, AA, KHC, AVGO, STAY, DOW, NLSN, CMA, APTV, ARE, BGS, CBOE, ALV, BWA, PPC, OC, FGEN, MUSA, CEIX, FFIN, ETH, SXT, QNST, VRTU, GATX, CPS, MLI

**Notable 21/55 EMA Bear Crossovers:** ROKU, TECK, HOG, TEN, VCEL, BGS, RGLD, XHR, NJR, RYTM, AGCO, RGA, RHP

**Notable 34/144 EMA Bear Crossovers:** SHO, AAP, GBX, MHK, REVG, ENVA

**Emerging Weakness (Daily RSI Cross Under 40 w/ Accumulation/Distribution Ratio at 6 Week Low):** WFC, CVX, AVGO, DOW, ALLY, AFL, PPG, TWOU, HOG, STLD, BYD, APTV, RPM, HSC, MSGN, MNRO, AGO, ARCH, DY

**Disclaimer:**

**Not Investment Advice or Recommendation**

*Any descriptions "to buy", "to sell", "long", "short" or any other trade related terminology should not be seen as a recommendation. The Author may or may not take positions in any of the names mentioned, and is not obligated to disclose positions, nor position sizes.*

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